

California

Dairy Review

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Department Announces Expansion of the Scope of October 10, 2007 Hearing

On Monday, September 24, 2007, the Department announced that in accordance with a new petition to address Class 4b issues, it has become necessary to include considerations of amendments to the Pooling Plan for Market Milk (Pool Plan). Therefore, the Class 4a and 4b pricing formula hearing scheduled to be held on October 10, 2007, has been expanded to include implementing language in the Pool Plan. No change has been made in the date of the pre-hearing workshop, October 3, 2007, or for the deadline for alternative proposals due on September 26, 2007. The hearing will still be held on October 10, 2007, at 9:00 a.m. at the Department Auditorium, 1220 N Street, Sacramento.

On August 15, 2007, the Department received a petition from F & A Dairy of California, Inc. (F & A) and a group of other California cheese processors, requesting a public hearing to consider amendments to the Plans. The F & A petition proposes to remove the dry whey factor from the Class 4b formula. On September 21, 2007, the Department received a petition from the Alliance of Western Milk Producers (Alliance) requesting a public hearing to consider amendments to the Pool Plan and the Stab Plans. The Alliance proposes to modify the Class 4b formula in the Stab Plans by providing a pool credit and requested implementing language changing the computation of handler obligations in the Pool Plan.

The hearing will also consider any other aspect of the Class 4a and 4b pricing formulas that are raised by alternative proposals received by the September 26, 2007 deadline. Specific proposals that would both amend or change the provisions contained in Article 9, Sections 900 and 906; Article 10, Section 1001; and any changes in the Pool Plan to make effective the proposal by the Alliance and amend or change the provisions contained in Article III, Section 300, Paragraphs (D) and (E) of the Stab Plans will be open for consideration at the hearing. The hearing will also consider the factual basis, evidence and the legal authority upon which to make any and/or all of the proposed amendments to the Stab Plans and Pool Plan.



California Department of Food and Agriculture
A.G. Kawamura, Secretary

California Dairy Producer News

Production, Prices, Quota Transfers, Alfalfa

August Milk Production

Milk production in California for August 2007 totaled 3.45 billion pounds, up 4.9 percent from August 2006. USDA's estimate for U.S. milk production for August 2007 in the 23 major dairy states is 14.3 billion pounds, up 3.6 percent from August 2006. Production per cow in the 23 major states averaged 1,721 pounds for August, 45 pounds above August 2006. ☀

Minimum Class Prices

Statewide average hundredweight prices

Class	August	Sept.	Oct.
1	\$23.62	\$22.87	\$23.68
2	\$19.25	\$19.25	N/A
3	\$19.09	\$19.09	N/A
4a	\$21.21	N/A	N/A
4b	\$19.41	N/A	N/A

Federal Order and California Minimum Class 1 Prices

Average Hundredweight Prices

Regions	August	Sept.	Oct.
Phoenix, Arizona	\$24.11	\$24.26	\$23.94
Southern California	\$23.76	\$23.10	\$23.81
Portland, Oregon	\$23.66	\$23.81	\$23.49
Northern California	\$23.49	\$22.83	\$23.54
Boston (Northeast)	\$25.01	\$25.16	\$24.84

Alfalfa Update: September

Northern California: Premium and Supreme alfalfa were steady with very light supplies and good demand. Fair and Good alfalfa was steady to firm with good demand and light supplies. Retail and Stable hay was steady with demand moderate to good and supplies moderate. Most producers starting to work on last cutting and dealing with scattered showers.

Southern California: Premium alfalfa was not well tested with good demand but no supplies available. Fair and good alfalfa was steady with good demand and light supplies. Retail and stable hay was steady with good demand and light supplies. Seeing some hay being sold from under tarps and out of barns. The weather has turned cool with little humidity. ☀

Supreme Hay Prices

Statewide average prices per ton

Area	8/31	9/7	9/14	9/21
Petaluma	N/A	\$200	\$210-230	N/A
North Valley ¹	\$205-215	\$205-215	\$210-225	\$205-230
South Valley ²	\$220-225	\$212-215	\$215-230	\$220-230
Chino Valley	\$205	\$205	N/A	\$205

¹North Valley is Escalon, Modesto and Turlock areas.

²South Valley is Tulare, Visalia and Hanford areas.

Alfalfa Hay Sales/Delivery

	August	September
Tons Sold ¹	324,798	270,999
Tons Delivered ²	112,905	105,791

¹ For current or future delivery.

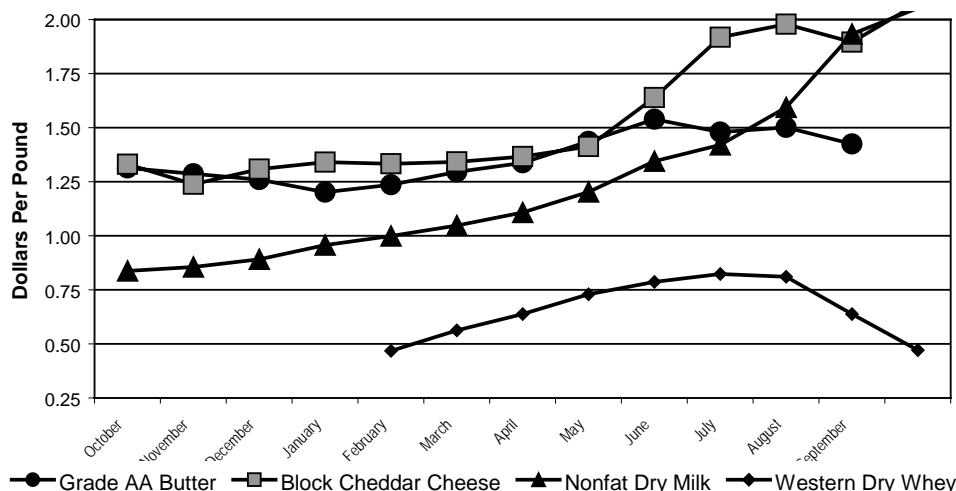
² Contracted or current sales.

Alfalfa hay sales, deliveries and Supreme quality prices per ton, delivered to dairies, as reported by the USDA Market News Service, Moses Lake, WA, (509) 765-3611, <http://www.ams.usda.gov/marketnews.htm>

Quota Transfer Summary

For August 2007, four dairy producers transferred 4,590 pounds of SNF quota. August quota sales averaged \$495 per pound of SNF (without cows), average ratio of 2.43. For September 2007, four dairy producers transferred 5,164 pounds of SNF quota. September quota sales averaged \$495 per pound of SNF (without cows), average ratio of 2.45. ☀

Grade AA Butter, Block Cheddar Cheese, Nonfat Dry Milk, and Western Dry Whey Mostly Prices Used in the Calculation of California Class 1 Milk Prices




Milk Plant Nearing Start-Up in Visalia

With a construction budget of \$130 million, California Dairies, Inc. is transforming the old Frito Lay potato chip plant in the Visalia Industrial Park into a new plant expansion and corporate headquarters. Reconstruction of the plant has been going on for almost a year and the company's CEO, Richard Cotta, expects "we will be running milk through the plant in December."

Once the plant is operational and it gets up to speed, the facility should employ just under 100, says Cotta.

The new plant will be one of the largest milk processing plants around, comparable to what Leprino is looking to run once its new expansion is complete in Lemoore in 2009."

For now, the plant will be producing powder and butter and some byproducts, but in the future, they may explore cheese production at the plant. Currently construction is going on mostly on the inside of the plant, with hundreds of miles of stainless steel pipelines being laid, connecting the silos and dryers and the rest of the maze of tanks to safely produce the products.

The new Visalia plant is the second plant in the South Valley for California dairies, with the other plant being near Tipton, also a butter powder plant. The cooperative is owned by 635 members who operate a total of 656 dairies in California. 


CDFA and Dairy Marketing Branch Launch New Look To Website

In September, the Department of Food and Agriculture and all branches within the Department, (including the Dairy Marketing Branch) launched a new look to the website. The address is the same, there is still a multitude of information to view, but the look has changed. The goal is to make the website as user friendly as possible with easy accessibility of information and overall ease of use and browsing through the information displayed.

Please let us know if you need any assistance accessing the website or have any comments/suggestions on the new design.

Website address: www.cdfa.ca.gov/dairy 


Survey Help: Producer Response Needed for Disease-Simulation Model

Researchers at the Center for Animal Disease Modeling and Surveillance at the University of California-Davis need dairy producers to participate in a confidential online survey. The data will be used in a computer model to simulate potential disease outbreaks in the United States. The survey consists of nine questions and takes only about five to 10 minutes to complete. The online survey can be found at: www.fmdsurvey.com. 

CWT Continues in 2008

Cooperatives Working Together (CWT) is receiving commitments from its members that they will continue to support the program in 2008. Back in June, the CWT Program Committee voted to renew the program in 2008 at the current 10 cent assessment level. Since then, cooperatives and individual producers have been pledging their support to continue participation in CWT in 2008. Current membership in CWT includes cooperatives and farmers producing 69.1% of the nation's milk supply.

"The reaction that cooperative members, and individual farmers, continue to have to CWT is overwhelmingly positive," said Jerry Kozak, President and CEO of NMPF, which manages CWT. Kozak said that even with the record high farm prices of this summer, "producers recognize that we will need CWT in the future to help stabilize prices. The track record of the past four years shows what we can accomplish with this unique program when our industry works together."

CWT will release the results of a new independent analysis of the program's economic impact on individual producers over the past four years. The findings, prepared by Dr. Scott Brown of the University of Missouri's College of Agriculture, demonstrate that farmers' return of investment in CWT continues to grow as the program develops over time. 

Judge puts hold on immigration penalty letters to employers

A federal judge ruled in early September that the Social Security Administration cannot start sending out letters to employers that carry with them more serious penalties for knowingly hiring illegal immigrants. Ruling on a lawsuit by the nation's largest federation of labor unions against the U.S. government, U.S. District Judge Maxine Chesney granted a temporary restraining order prohibiting the so-called "no-match" letters from going out as planned.

The AFL-CIO lawsuit claims that new Department of Homeland Security rules outlined in accompanying letters threaten to violate workers' rights and unfairly burden employers. Chesney said the court needs "breathing room" before making any decision on the legality of new penalties aimed at cracking down on the hiring of illegal immigrants.

The next hearing on the matter is set for October 1. 


Milk-feed ratio climbs

A strong all-milk price and lower feed inputs influenced the August milk-feed price ratio to 3.24. That is a gain of 0.07 points from July, according to the USDA announcement of feed-price ratios on Aug. 31, 2007. One year ago, the ratio was 2.48.

The all-milk price used to calculate the August ratio stood unchanged from July at \$21.70. That also is \$9.70 higher than a year ago.

Baled alfalfa hay, at \$137 per ton, also was unchanged from July. That is \$28 higher than a year ago.

Meanwhile, corn and soybean prices fell slightly. The price for a bushel of corn fell 15 cents to \$3.17. It is still \$1.08 more per bushel than a year ago. The soybean price used to calculate the ratio was \$7.49, down 7 cents per bushel. One year ago, soybeans were \$5.23.

The milk-feed ratio represents the pounds of 16-percent mixed dairy feed equal in value to 1 pound of whole milk. Therefore, with a 3.24 ratio in August, a dairy producer could buy 3.24 pounds of feed for every 1 pound of milk sold. Whenever the ratio meets or exceeds 3.0, it is considered profitable to buy feed and produce milk. 

California Dairy Industry Introduces Real California Milk Seal in New Initiative to Identify Locally Produced Milk


Advertising Campaign Notes up to 20 Percent of Milk Is From Out-Of-State

MODESTO, Calif.--(BUSINESS WIRE)--Californians will soon be able to clearly identify locally produced milk at the supermarket as the result of a major new California dairy industry initiative to promote California milk and dairy products.

The California Milk Advisory Board (CMAB) has introduced a Real California Milk seal which certifies that fluid milk bearing the seal is made exclusively with milk produced on California dairy farms. The seal also will appear on other dairy products produced exclusively with California milk including butter, ice cream and yogurt. California consumers will begin seeing the seal in grocery stores in October, according to the CMAB.

A statewide advertising campaign that includes television commercials, newspaper and magazine ads, radio, outdoor and trade advertising will introduce the new seal to consumers in early October. The campaign will launch with full-page newspaper advertisements throughout the state informing Californians that as much as 20 percent of the fluid milk sold in California is being trucked in from out-of-state.

"The Real California Milk seal is a direct response to a very clear consumer demand for locally produced milk and we are confident it will be embraced by California shoppers, even to the point that they will ask for California-certified milk at their local supermarkets," said Stan G. Andre, CMAB Chief Executive Officer.

Andre cited research that showed California consumers have a strong preference for California milk and dairy products. "Seven out of 10 Californians said they prefer to purchase locally-produced milk for their families and two-thirds said they would even go to a different store to find locally-produced milk because they believe it is fresher, and also because they want to support California dairy farmers," Andre said. 

National Dairy Situation and Outlook – USDA Estimates

Milk Production and Cow Numbers

Monthly: Compared to 2006, USDA estimates that overall milk production across the U.S. was up 3.4% in August, led by Arizona's 11.5% growth in milk production (on 8,000 more cows and 100 more pounds per cow). USDA reports that California's milk production was up 4.9% on 47,000 more cows and 40 more pounds per cow compared to August 2006. Among the western states, Arizona was up 10.4%; New Mexico down -9.0%; and Washington was up 0.9%. Two of the top 10 states reported a production decrease.

Quarterly: For the second quarter of 2007 compared to the first quarter of 2007, U.S. milk cow numbers decreased to 9.129 million, production per cow increased 160 pounds per cow; the net effect was increased milk production to 47.4 billion pounds. USDA projects that for the third quarter of 2007 compared to the second quarter of 2007, U.S. milk cow numbers will increase to 9.160 million cows, production per cow will be down 200 pounds per cow; the net effect would be decreased milk production to 45.8 billion pounds.

Milk Prices

Comparing the second quarter of 2007 to the first quarter of 2007, U.S. average milk prices were up to \$18.27/cwt. USDA projects that for the third quarter of 2007, U.S. average all-milk prices will be \$21.80-22.00/cwt.; Class 4b prices will be \$20.52-20.72/cwt; and Class 4a prices will be \$21.61-21.91/cwt.

Utility Cow Prices

Comparing the second quarter of 2007 to the first quarter of 2007, average U.S. utility cow prices were up \$2.90/cwt. to a national average of \$53.96/cwt. USDA projects that utility cow prices will average \$52-53 in the third quarter of 2007.

Information from the USDA-NASS publication "Milk Production" and the USDA-ERS publication: "Livestock, Dairy, and Poultry Outlook."



Secretary Seeks Nominations for Positions on Milk Producers Security Trust Fund Board

The Department is seeking nominations to fill two positions on the Milk Producers Security Trust Fund Board of Directors that have terms expiring at the end of 2007. There will be one Director position representing cooperative managers and one Director position representing producers. These appointments will be for a three-year term of office. The terms will begin on January 1, 2008 and expire on December 31, 2010.

The current members with terms that expire at the end of the year are:

- Alan Pierson, Land O'Lakes – Representing Cooperative Managers
- Case Van Steyn, Van Steyn Dairy – Representing Producers

The Milk Producers Security Trust Fund Law provides that members can serve no more than three consecutive terms of office on the Board. Alan Pierson is completing his third term representing cooperative managers. He served as the chairperson for the board during the past year. Case Van Steyn is completing his third term representing producers.

The Board of Directors holds two regularly scheduled meetings each year; one is usually held in March and the other in September. When necessary, the Board may hold special meetings should there be a significant payment default by a processor that results in producer claims against the Trust Fund. Meetings typically run two-to-three hours.

Persons interested in serving on the Board, or interested in nominating another person to serve on the Board should send a nomination letter to A.G. Kawamura, Secretary of Food and Agriculture, c/o The Milk Pooling Branch, 1220 N Street, Sacramento, California 95814. To be eligible for appointment, the nominee must serve currently in the capacity of a dairy producer or processor. In lieu of sending a letter, Nomination Forms are available at the Milk Pooling Branch by calling (916) 341-5901. Letters of nomination must be post-marked no later than November 15, 2007.

If you are considering nominating someone other than yourself for one of the two positions, please contact that person in advance and confirm their willingness to serve on the Board. Questions regarding the nomination process may be directed to John Bressett at (916) 341-5901 or by email at jbressett@cdfa.ca.gov.



Foot and Mouth Disease Confirmed in England

Initial laboratory tests on the samples taken from the cattle on the holding in Surrey where disease was suspected have indicated the presence of Foot and Mouth Disease.

On the basis of these initial laboratory results and clinical symptoms Debby Reynolds, UK Chief Veterinary Officer (CVO), has confirmed Foot and Mouth Disease. The farm comprises a number of separate parcels of land and a single Protection Zone will be put in place which extends a 3 kilometres radius from each of them, and a Surveillance Zone of 10 kilometres radius beyond that. Footpaths will be closed in the Protection Zone.

The farm itself has been under restrictions and the decision to cull the cattle was taken on the suspicion of disease based on clinical signs, and an initial 10km Temporary Control Zone was put in place around the premises.

A movement ban of cattle, sheep, pigs and other ruminants has now been imposed in England and parallel arrangements are being made by the Scottish and Welsh administrations. No movements of susceptible animals are allowed except under licence. The licence conditions may vary between England, Scotland and Wales.

In England, controls are in place on movement of animal carcasses, animal gatherings, shearing and dipping are restricted, and all farms must increase levels of biosecurity. In both the Protection and Surveillance Zones, there will be requirements for increased levels of biosecurity on farms, movement controls, controls on transportation of dung/manure and treatment of animal products to ensure destruction of the FMD virus. Confirmation of the movements which will be permitted under licenses will be issued later today.

Secretary of State for the Environment, Hilary Benn, said:

"This is news that no one wanted to hear, least of all the farming industry. The immediate establishment of both a Protection Zone, with footpaths closed within it, and a national animal movement ban shows our determination to contain and eradicate this latest outbreak. Having spoken this morning to farming industry representatives, I know they share this view and the utmost vigilance is now needed from everyone."



NMPF Disappointed with Reopening of Canadian Border

The National Milk Producers Federation (NMPF) expressed "serious reservations" about the impact of a renewal in Canadian dairy animal exports to the United States. The U.S. Department of Agriculture announced that it will reopen the U.S. border on Nov. 19 to all types of Canadian cattle, including those intended for slaughter, as well as those for breeding purposes, which would include dairy heifers.

The U.S. closed its borders to Canadian beef and live cattle four years ago, following the discovery of BSE, or mad cow disease, in May 2003. In 2005, the USDA reopened the border for younger animals destined for slaughter, and for meat from younger animals. The new regulation will allow exports of all forms of Canadian cattle born after March 1, 1999, including milk cows to be used for breeding purposes, to be exported to the United States.

"The USDA has dismissed as 'negligible' the economic impact of this decision, but dairy farmers are very concerned about what this will do to their milk prices," said Jerry Kozak, President and CEO of NMPF. "Our analysis shows that a return to export levels of 2003 will reduce milk prices by 18 percent over the next five years, cutting dairy farmer income by \$5 billion."

NMPF estimates that additional annual imports of between 47,000 and 60,000 Canadian dairy heifers could increase milk production by 0.5 percent per year over the next five years, which "is a large enough quantity to generate significant damage in the milk checks of dairy farmers," Kozak said. In addition to a reduction in milk prices, a surge in Canadian dairy animals will reduce the current value of a farmer's dairy herd, "substantially reducing" his net worth, Kozak said.

NMPF is also concerned that while Canada is being classified as a "minimal risk" country, it could potentially export more animals infected with BSE with negative ramifications for beef prices as well as milk prices. There have been seven cases of BSE in Canadian cattle born after implementation of a feed ban in 1997 to prevent the spread of mad cow disease, and five of those were born after March 1, 1999 — and thus could have been sent to the U.S. under the terms of the new regulation.



BOVINE TRICHOMONOSIS PRODUCER UPDATE October 2007



Bovine Trichomonosis

Bovine trichomonosis is a venereal disease of cattle caused by the **protozoa *Tritrichomonas foetus***. The organism lives in the folds of the penis and internal sheath in bulls, and colonizes the vagina, cervix, uterus and oviducts of cows. It causes **abortion** and **extended calving seasons**. Bulls will remain persistently infected and spread infection from cow to cow during natural service, however, cows generally clear infection after two to three heat cycles. Bulls over four years old are the main reservoir of infection in a herd.

California Trichomonosis Program

Trichomonosis is a serious economic threat to California's beef herds. The California Cattlemen's Association and the Western United Dairymen sponsored legislation to develop a trichomonosis control program. In partnership with the livestock industry, the California Department of Food and Agriculture (CDFA) developed a program that became effective in September 2003.



Since then, 156 veterinarians have

been approved for trichomonosis sampling, and 61 laboratories have been approved for testing. About 180 infected herds have been diagnosed, and CDFA officials have notified approximately four to six exposed herds for each infected herd.

At the request of the cattle industry, the control program was strengthened with new laws that became effective in October 2007.

Trichomonosis Laws

Trichomonosis is a **reportable disease**. Veterinarians, laboratories, or owners **must report cases** of trichomonosis to CDFA **within two days of diagnosis**. **Negative trichomonosis tests must be reported to CDFA within 30 days**.

CDFA personnel investigate trichomonosis cases, notify owners of potentially exposed cattle and quarantine bulls in infected and exposed herds. **Infected bulls will be quarantined to their facility and may ONLY BE SOLD FOR SLAUGHTER**. Additionally, three negative tests at owner's expense are required for all herdmate bulls, with no less than seven days and no more than 28 days between each test. **Owners of exposed cattle** will be notified by CDFA and are **required to test their bulls once**, at their expense.

Movement Requirements

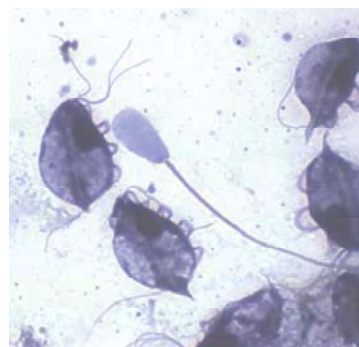
Bulls 18 months of age and over require a negative trichomonosis test within 60 days before entering California. Exemptions include:

- Bulls going directly to slaughter
- Bulls used for artificial insemination that meet Certified Semen Services standards
- Exhibition bulls not commingling with breeding cattle

Bulls entering California on a **Pasture-to-Pasture** permit require a **negative trichomonosis test within twelve months**. Copies of test charts must accompany permits. Testing can be done in California, or in the state of origin.

Bulls 18 months of age and older sold at saleyards in California require a negative trichomonosis test within 60 days before the sale or be consigned to slaughter only. **Signs must be posted at saleyards** informing producers that without a current test, bulls can only go to slaughter or to a slaughter-only feedlot.

Standardized Sampling and Testing



Sample quality and testing are critical for diagnosing and eradicating trichomonosis. Law requires training and approval by CDFA for veterinarians collecting trichomonosis samples, and for laboratories processing samples.

False positives can occur, especially in young bulls.

Positive cultures can be confirmed by Polymerase Chain Reaction (PCR), though confirmation is no longer required.

For more information

Visit our web site at http://www.cdfa.ca.gov/ahfss/Animal_Health/Trichomonosis_Info.html or e-mail questions to CDFA at trich@cdfa.ca.gov.

California Cattlemen's Association can be reached at (916) 444-0845 or <http://www.calcattlemen.org>.

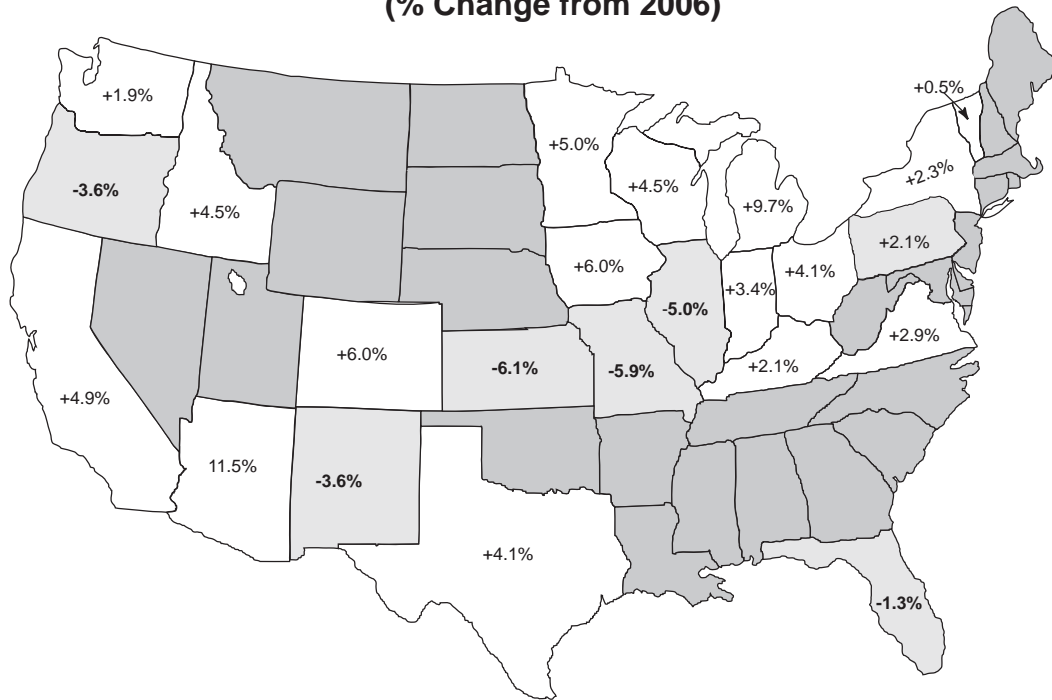
CDFA Animal Health Branch Offices	
Sacramento (HQ)	916-654-1447
Modesto	209-491-9350
Ontario	909-947-4462
Redding	530-225-2140
Tulare	559-685-3500

MASTER LIST OF HANDLERS INELIGIBLE FOR COVERAGE UNDER THE MILK PRODUCERS SECURITY TRUST FUND AS OF SEPTEMBER 18, 2007

HANDLERS INELIGIBLE FOR FAILURE TO: (1) MAINTAIN A VALID LICENSE OR BOND; (2) PAY PRODUCERS FOR BULK MILK PURCHASED AND RECEIVED; OR (3) FAILURE TO PAY THEIR POOL SETTLEMENT OBLIGATIONS			
FIRM	STREET ADDRESS	CITY, ST. & ZIP CODE	HANDLER NO.
De Oaxaca Cheese Corp.	128 N. Ninth Street	Fowler, CA 93625	034220
F & A Dairy	691 Inyo Street	Newman, CA 95360	042020
Borrelli Latticini, Inc.	3021 W. Dakota Avenue, Suite 101	Fresno, CA 93722	037080
Marin French Cheese Company, Inc.	7500 Red Hill Road	Petaluma, CA 94952	098020
Valley Milk Market, Inc.*	3520 Oakdale Avenue, Suite A	Modesto, CA 95355	- - -
Central Valley Dairyman, Inc.*	251 5th Street	Gustine, CA 95322	076086
Sequoia Valley Products, LLC	2245 S. Linwood	Visalia, CA 93277	035067
Ariza Cheese Company, Inc.	7602 Jackson Street	Paramount, CA 90723	148312
Formaggi Di Ferrante, Inc.	4690 E. Second Street, Suite 7	Benicia, CA 94510	018182
Valley Gold, LLC*	240 North Avenue	Gustine, CA 95322	041007
Organic Pastures Dairy Company, LLC	7221 S. Jameson Ave	Fresno, CA 93706	036079
HANDLERS THAT ARE NOT BONDED AND EITHER USE THEIR OWN PRODUCTION OR BUY MILK FROM OTHER HANDLERS (THESE PROCESSORS ARE LICENSED, BUT ARE NOT REQUIRED TO OBTAIN A MILK HANDLER'S BOND SINCE THEY ARE NOT MAKING BULK MILK PURCHASES DIRECTLY FROM PRODUCERS OR COOPERATIVE ASSOCIATIONS OF PRODUCERS.)			
FIRM	STREET ADDRESS	CITY, ST. & ZIP CODE	HANDLER NO.
Balian Ice Cream	2916 E. Olympic Boulevard	Los Angeles, CA 90023	- - -
Broguiere's Farm Fresh Dairy	505 South Maple Avenue	Montebello, CA 90640	142097
Cal Poly State University Dairy	Foundation Administration Bldg # 15	San Luis Obispo, CA 93407	143175
California State University Agricultural Foundation	2385 East Barstow Avenue M/S AG 85	Fresno, CA 93740-8004	032119
Claravale Farm Company	345 Kliewer Lane	Watsonville, CA 95076	012396
DeJong's Dairy - DBA Udderly, Inc.	31910 Corydon Street	Wildomar, CA 92595	142152
Fagundes Agribusiness	8700 Fargo Avenue	Hanford, CA 93230	072027
Fleur De Lait West	17525 East Valley Boulevard	City of Industry, CA 91744	144210
Initiative Foods, Inc.	1117 K Street	Sanger, CA 93657	- - -
The Ice Creamery - DBA Bayche Companies, Inc.	1221 Burt Place	Fullerton, CA 92831	- - -
Joe Matos Cheese Factory	3669 Llano Road	Santa Rosa, CA 95407	097052
Norwalk Dairy - DBA John Vanderham	13101 East Rosecrans Avenue	Santa Fe Springs, CA 90670	141680
Pedrozo Dairy & Cheese Company	7713 County Road 24	Orland, CA 95963	075129
Prison Industries Authority - CA Institution for Men	PO BOX 1031	Chino, CA 71710	143032
Prison Industries Authority - Corcoran State Prison	PO BOX 8800	Corcoran, CA 93212-8800	038125
Prison Industries Authority - Correctional Training Facility	PO BOX 700	Soledad, CA 93960-0700	012100
Prison Industries Authority - Deuel Vocational Institution	PO BOX 400	Tracy, CA 95378	078143
Three Sisters Farmstead Cheese	2381 Road 180	Lindsay, CA 93247	035056
Wonder Ice Cream Company	1717 Lafayette Street	Santa Clara, CA 95050	- - -

**Milk Handler's License cancelled pursuant to California Code of Regulations Title 3, Division 3, Chapter 3, Subchapter 2, Article 2, § 2031 effective December 1, 2005*

August Milk Production in the Top 23 States (% Change from 2006)



For the U.S. overall, comparing August 2007 to August 2006:

- U.S. Milk production during August was up 3.4%
- The number of cows on farms was 9.168 million head, up 50,000 head
- Production per cow averaged 1,699 pounds, 45 pounds more than August 2006
- Six of the top twenty-three milk producing states showed a decrease in milk production

As reported by USDA
and CDFA (for California)

Milk Production Cost Comparison Summary for California ^{1/} By Quarter, 2006-2007

Quarter	North Coast		North Valley		South Valley		Southern California		Statewide Weighted Average	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
<i>Dollars per Hundredweight</i>										
1st Quarter										
Total Costs	15.35	17.52	12.32	13.33	11.72	13.16	11.76	13.17	12.01	13.31
Total Costs & Allowances*	16.93	19.27	13.82	14.86	13.24	14.76	13.07	14.55	13.52	14.87
2nd Quarter										
Total Costs	14.22	16.23	12.36	13.41	12.47	13.51	11.99	13.00	12.43	13.49
Total Costs & Allowances*	15.76	18.15	13.88	15.13	14.00	15.29	13.31	14.53	13.94	15.25
3rd Quarter										
Total Costs	14.62		12.58		12.73		12.56		12.71	
Total Costs & Allowances*	16.14		14.10		14.33		13.90		14.26	
4th Quarter										
Total Costs	16.99		13.47		13.25		13.23		13.41	
Total Costs & Allowances*	18.62		15.01		14.84		14.59		14.97	

* Includes an allowance for management and a return on investment

Pool Prices

Month	Quota	Overbase
January '06	\$13.91	\$12.21
February	\$12.75	\$11.05
March	\$12.19	\$10.49
April	\$11.90	\$10.20
May	\$11.90	\$10.20
June	\$11.90	\$10.20
July	\$11.71	\$10.01
August	\$12.13	\$10.43
September	\$12.80	\$11.10
October	\$12.87	\$11.17
November	\$13.31	\$11.61
December	\$13.50	\$11.80
January '07	\$13.70	\$12.00
February	\$14.45	\$12.75
March	\$15.28	\$13.58
April	\$16.33	\$14.63
May	\$18.29	\$16.59
June	\$20.70	\$19.00
July	\$21.60	\$19.90
August	\$21.74	\$20.04

Milk Mailbox Prices

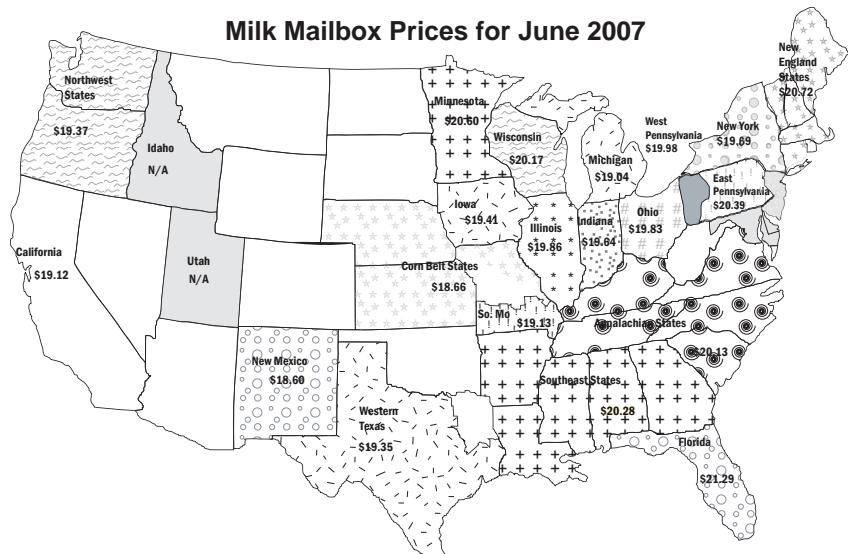
Milk Mailbox Prices in Dollars per Hundredweight

	December	January	February	March	April	May	June
California ¹	\$12.42	\$12.55	\$13.09	\$13.89	\$14.83	\$16.77	\$19.12
USDA ²	\$14.20	\$14.66	\$14.92	\$15.60	\$16.45	\$17.78	\$19.80

¹ California mailbox price calculated by CDFA.

² All federal milk market order weighted average, as calculated by USDA.

Milk Mailbox Prices for June 2007



In June 2007, mailbox prices for selected reporting areas in Federal milk orders averaged \$19.80 per cwt., \$2.02 more than the figure for the previous month. The component tests of producer milk in June 2007 were: butterfat, 3.61%; protein, 3.00%; and other solids 5.71%. On an individual reporting area basis, mailbox prices increased in all reporting areas, and ranged from \$21.29 in Florida to \$18.60 in New Mexico. In June 2006, the Federal milk order all-area average mailbox price was \$11.74, \$8.06 lower.

Milk Pricing Information:
Within California 1-800-503-3490
Outside California 1-916-442-MILK
Dairy Marketing Branch:
Phone (916) 341-5988; Fax (916) 341-6697
Website: www.cdffa.ca.gov/dairy
Email: dairy@cdffa.ca.gov

The California Department of Food and Agriculture Dairy Marketing Branch publishes the California Dairy Review monthly. Please direct any comments or subscription requests to Karen Dapper at (916) 341-5988 or send an email to dairy@cdffa.ca.gov
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